MEETING BEING SUBMITTED TO

Cabinet 14th September 2016

1. <u>HEADING</u> Demolition of disused former Knutton Recreation Centre building

Submitted by: Elaine Burgess

Portfolio: Finance, IT and Customer

Ward(s) affected: Knutton

Purpose of the Report

To outline the proposal to demolish the disused former Knutton Recreation Centre building and the reasons for this.

Recommendations

- (a) To approve demolition of the former Knutton Recreation Centre building at a cost of up to £50,000.
- (b) To authorise the Executive Director for Regeneration and Development in consultation with the Portfolio Holder for Finance, IT and Customer to commission suitably qualified and experienced contractors to undertake the necessary demolition works.
- (c) That the cost be met from borrowing, in accordance with the approved Treasury Management Strategy.
- (d) To approve consultation on the future disposal of the site in line with the Council's Asset Management Strategy 2015/16 2017/18 with the results of this to be reported to a later meeting of Cabinet alongside an update on other issues relating to the former Knutton Recreation Centre site.

Reasons

The Council remains responsible for this disused property and continues to incur costs of keeping it safe. Boarded-up properties are often an eye sore in the community and can attract anti-social behaviour (as has happened here); it is appropriate that the Council takes this into account when considering the building's future use.

1. Background

- 1.1 The former Knutton Recreation Centre became surplus to operational service requirements in 2012 as part of the then planned consolidation of indoor leisure activities to the new Jubilee2 centre in the nearby Newcastle town centre. It was always planned that the building would be demolished as part of the business case for the development of J2 and that the site would be disposed of for redevelopment at the most appropriate time.
- 1.2 In September 2012 Cabinet authorised the disposal of the site on which the former Recreation Centre stands; however no resolution has been made regarding the building itself which is currently standing empty with all services cut off. The building is potentially subject to ongoing vandalism (as has occurred recently) and is incurring costs to the Borough Council through the payment of non-domestic rates, ongoing security inspections

and necessary repairs. As such it does nothing to contribute to the community or economic vitality of Knutton village and it creates an unnecessary drain on Council resources.

- 1.3 On a broader level there are a number of issues which would affect the developability of the overall site were it to be disposed of in its current condition. Officers are working to address these and it is anticipated that an update will be given to a future meeting of Cabinet. Working sequentially however, this report seeks Cabinet approval to demolish the former recreation centre building in the interests of the visual amenities in the area; reducing the risk of anti-social behaviour; curtailing the Council's costs of maintaining an empty structure on this site and; reducing owner's liability in respect of third party safety.
- 1.4 Cabinet have previously considered reports to outline that it would be beneficial to redevelop the site and the potential delivery of new housing (including affordable housing) has been highlighted alongside the option to redevelop a slightly wider area on a more comprehensive basis. Nevertheless it is recommended that whilst the Council continues to seek a comprehensive redevelopment to deliver the best outcomes for the local community it is considered that the demolition of the building would support the longer term redevelopment objectives.

2. Issues

i) Public safety

Boarded-up buildings continue to attract owner's liabilities, including circumstances in which there is unauthorised access. There have been reports of the latter including incidents that have resulted in damage to the building. Such incidents raise the issue of public safety should a similar incident occur in future and it is important that the Council seeks to minimise the risk of personal injury as well as any liabilities.

ii) Public use of the site for a through-route

There is no recorded public right of way through the former recreation centre site however members of the general public do use a route through the site, on an informal basis, to pass between High Street and Acacia Avenue. In the interests of public safety the demolition of the building will necessitate the closure of this route however there is a public right of way nearby that offers the same access between High Street and Acacia Avenue.

iii) Utility and Telecoms Suppliers

It is known and likely that a number of utility services and telecoms providers have services that are running through the former recreation centre site. These will be notified of the demolition works as a matter of course to ensure that no disturbance is caused to any active supplies or cables running through the site.

iv) Facilities for the Bowling Green

A conservatory at the side of the building has been used by members of Knutton bowling club as its bowling pavilion. For safety reasons it was necessary to cut off utility services to the disused former recreation centre building and as a result there is no services to this conservatory (which has been the subject of vandalism). Officers have met with members of Knutton bowling club on a number of occasions and they were previously informed that as at the end of the 2015 playing season no facilities would be available at the site. However, Knutton bowling club will need notification of the Council's intention to demolish the building and the attached conservatory. Currently the bowling green is not used for competitive matches but is available as a practice green for members of the local bowling club. Members of the bowling club have been reminded that a bowling green with associated pavilion is available at Silverdale Park, which is approximately 1 mile away from the Knutton bowling green site. There is therefore a viable nearby option for the bowling club to take advantage of as their club base.

v) 3G pitch

A three quarters size 3G football pitch is located to the rear of the unused former recreation centre building. This has suffered from anti-social behaviour which led to the pitch becoming unsafe to use and consequently the pitch has been out of use since June 2015. The 2015 Newcastle under Lyme Playing Pitch Strategy earmarked this 3G pitch for disposal and recommended that consideration should be given to meeting future demand from alternative locations, subject to agreement from the Football Foundation. Discussions are at an advanced stage in terms of transferring the outcomes associated with the pitch to another 3G pitch elsewhere in the Borough. Since the 3G facility is out of use the proposed demolition of the unused former recreation centre building will not impact on this facility or the transfer of outcomes from this pitch to another facility.

vi) Provision of Leisure Facilities in the local area.

Although the 3G pitch at the Knutton recreation centre has fallen out of use, Members will recall that the Gordon Banks Leisure Centre at Newcastle College offers a number of facilities for hire to local groups; this includes 3G and grass pitches, a sports hall, a seminar room and a dance studio. Additionally it is noted that officers in the Leisure and Cultural Services team are working with Keele University and other partners to secure community use of a recently constructed 3G pitch at Keele University. This provision is in addition to 5 senior grass pitches and 1 junior grass pitch which serve this locality.

vii) Asset Management Strategy 2015/16 - 2017/18

Members may recall that following the 2012 Cabinet resolution to dispose of the former Knutton Recreation Centre site it is now listed within the Asset Management Strategy for disposal. Following demolition of the recreation centre building it is therefore proposed that Officers consult on disposal of the site in line with the procedure established in the Asset Management Strategy with the results of this being reported to a later meeting of Cabinet alongside an update on progress with other site constraints (as referenced in paragraph 1.3 of this report).

viii) Revenue Costs of Maintaining the Unused Building

Retaining the unused former recreation centre building in its current state incurs revenue costs of approximately £10,400 per year. This is made up of business rates liability and required inspection visits, the details of which are set out in Section 9 below. Were any essential safety work required this would be an additional cost to this. The Council's Streetscene team also incurs an opportunity cost of £250 per week in staff time for grass cutting and litter picking. This Streetscene cost can be expected to continue whilst the Council retains ownership of the former recreation centre site and demolition of the unused building would not in itself have an impact on that particular cost.

3. **Proposal and Reasons for Preferred Solution**

3.1 It is proposed to demolish the building for the reasons outlined above; most importantly for public safety and financial reasons. In addition it would improve the short term visual amenity of the area pending the site's longer term redevelopment (which is likely to be housing-led). The demolition of this building would enable the latter process to begin and this would include public consultation to seek the views of local residents (in accordance with the established approach set out in the approved Asset Management Strategy).

4. Outcomes Linked to Corporate Priorities

4.1 This proposal fits with the corporate priority of a clean, safe and sustainable borough. In addition the future redevelopment of the site would contribute towards the priority of a borough of opportunity.

5. <u>Legal and Statutory Implications</u>

5.1 As highlighted above the Council has a legal duty in respect of unauthorised access to sites under the Occupiers Liability Acts of 1957 and 1984.

6. **Equality Impact Assessment**

6.1 This report does not impact differentially on the equality groups.

7. Financial and Resource Implications

7.1 The cost of weekly inspections

The Council's insurers require weekly inspections of the building and 3G pitch at a cost of £1,080 per annum. Should any safety repairs be required these are funded from the Council's Repairs and Renewals budget allocation.

7.2 The cost of business rates

The total business rates payable by the Council in relation to the building (including the separately rated office formerly occupied by the NMP) is £12,960. However, under the business rates retention scheme the Council retains, as income, a proportion of all business rates collected. In the Council's current position (i.e. exceeding the business rates baseline established by Central Government) the proportion of business rates retained relating to the former Recreation Centre premises would be £3,629. The net saving in business rates, if the building were to be demolished would, therefore, be £9,331. The cost of clearing the building, including diverting underground services is estimated at around £40,000 to £50,000, which would be recovered in 4 to 5 years by the saving on business rates alone.

7.3 The costs of grounds maintenance

The Council's Streetscene service is currently incurring an opportunity cost of around £250 per week in staff time for grass cutting and litter picking around the disused former recreation centre building. Currently this cost is being absorbed by the Streetscene service.

7.4 Demolition costs

There is provision in the approved capital programme of £40,000 for demolition costs (based upon historical estimates). As stated above, the currently estimated cost could be up to £50,000. Because the Council has a current shortfall of available capital receipts to fund the capital programme it will be necessary to borrow to meet these costs. The current approved Treasury Management Strategy permits borrowing in such circumstances where there is a gap between expenditure being incurred and funds from asset sales being received.

8. Major Risks

8.1 A risk assessment will be completed by the company commissioned to complete the demolition works.

9. **Key Decision Information**

9.1 This is not a key decision.

10. <u>Earlier Cabinet/Committee Resolutions</u>

- 10.1 Cabinet has previously received reports on the disposal of the former recreation site at its meetings of September 2012 and October 2011.
- 11. <u>List of Appendices</u>
- 11.1 None
- 12. **Background Papers**
- 12.1 Treasury Management Strategy 2016/17